



Miami-Dade County Board of County Commissioners

Office of the Commission Auditor

Legislative Analysis

**Community Empowerment and Economic
Revitalization Committee**

Tuesday, August 16, 2005

2:00 PM

Commission Chamber

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Commission Auditor

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**Miami-Dade County Board of County Commissioners
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Legislative Analysis

**Community Empowerment & Economic Revitalization Committee
Meeting Agenda
August 16, 2005**

Written analyses for the below listed items are attached for your consideration in this Legislative Analysis.

Item Number(s)

4(D)	4(E)
4(G)	4(H)
4(I), 4(J)	

If you require further analysis of these or any other agenda items, please contact Guillermo Cuadra, Chief Legislative Analyst, at (305) 375-5469.

Acknowledgements--Analyses prepared by:
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LEGISLATIVE ANALYSIS AND ECONOMIC IMPACT STATEMENT

**RESOLUTION APPROVING QUALIFIED TARGET INDUSTRY TAX REFUND FOR
CONFIDENTIAL PROJECT NO. 05-00313**

Office of Community and Economic Development

I. SUMMARY

The Office of Community and Economic Development recommends that the Board of County Commissioners approve the Qualified Target Industry (QTI) tax refund application for a company proposing to establish a global financial data processing center in District 12.

II. PRESENT SITUATION

The Qualified Target Industry (QTI) tax refund program is pursuant to Florida Statutes Section 288.106. The program's intent is to attract relocating out-of-area businesses and encourage expansion of existing local companies by providing a tax refund.

III. POLICY CHANGE AND IMPLICATION

None.

IV. ECONOMIC IMPACT

Item	Project Name	New Jobs	New Capital Investment	QTI Refund			Miami-Dade New Incremental Tax Revenue Generated	County QTI Match	Net Revenue Benefit to Miami-Dade (per Beacon)	Total ROII (per Beacon)
				Total	State 80%	County 20%				
4D	Confidential 05-00313	50	\$100,000,000	\$250,000	\$200,000	\$50,000	\$3,105,404	\$50,000	\$3,055,404	62.11

ROII – Return on Incentive Investment equals Miami-Dade New Tax Revenue Generated divided by the County's match.

The funding for the Miami-Dade County portion of the QTI shall come from the County's General Fund.

V. COMMENTS AND QUESTIONS

None.

LEGISLATIVE ANALYSIS AND ECONOMIC IMPACT STATEMENT

*TARGETED JOBS INCENTIVE FUND PROGRAM PARTICIPATION FOR
CONFIDENTIAL PROJECT NO. 05-00313*

Office of Community and Economic Development

I. SUMMARY

The Office of Community and Economic Development recommends that the Board of County Commissioners approve the Targeted Job Incentive Fund (TJIF) application for a company proposing to establish a global financial data processing center in District 12.

II. PRESENT SITUATION

The TJIF is an initiative by The Beacon Council and Miami-Dade County patterned after the State of Florida Qualified Target Industry Tax Refund Program (QTI). The program's intent is to attract relocating out-of-area businesses and encourage expansion of existing local companies by providing cash incentive awards.

III. POLICY CHANGE AND IMPLICATION

None.

IV. ECONOMIC IMPACT

Project Name	New Jobs	Capital Investment	TJIF Incentive Award	Net Revenue Benefit to Miami-Dade (per Beacon)
Confidential Project No. 05-00313	50	\$100 Million	\$3,850,612	\$972,036

This project has also applied for a Qualified Target Industry (QTI) incentive, item 4(D). If approved, the entire incentive package for this project will be \$4,100,612.

V. COMMENTS AND QUESTIONS

None.

LEGISLATIVE ANALYSIS

ITEM 4 (G) ORDINANCE APPROVING LOAN FROM SUNSHINE STATE GOVERNMENT FINANCING COMMISSION FOR MIAMI-DADE COUNTY SEAPORT DEPARTMENT IN AN AMOUNT NOT TO EXCEED \$75 MILLION.

Seaport Department

I. SUMMARY

This Ordinance authorizes the County to borrow up to \$75 million from the Sunshine State Governmental Financing Commission (Sunshine Commission) for various capital improvements at the Dante B. Fascell Port of Miami.

The Ordinance authorizes the Finance Director to approve all final details of the Loan Agreement, after consulting with the Office of the County Attorney.

II. PRESENT SITUATION

The Sunshine Commission was created by inter-local agreements among various counties and municipalities in Florida, pursuant to Chapter 163, Part 1, Florida Statutes. The Sunshine Commission enables Governmental Units to benefit from larger scale financing. It also provides a funding mechanism for the acquisition of property, equipment, other capital needs and refunding of higher interest rate debt.

III. POLICY IMPLICATIONS

The Ordinance represents a continuation of the County's policy to finance capital projects at low interest rates through the Sunshine Commission.

IV. ECONOMIC IMPACT

The Loan will be secured by the County's covenant to budget and appropriate from available non-ad valorem County revenues. However, it is anticipated that payment of the Loan will be made from the operations revenues of the Port of Miami.

V. COMMENTS AND QUESTIONS

The Loan Agreement previously contained a scrivener's error by the Sunshine Commission's attorneys but it has since been corrected in the final agreement.

LEGISLATIVE ANALYSIS

ITEM 4 (H) RESOLUTION AUTHORIZING THE EXECUTION OF A DEDUCTIVE CHANGE ORDER TO CONSTRUCTION MANAGEMENT AGREEMENT BETWEEN MIAMI-DADE COUNTY AND CENTEX ROONEY CONSTRUCTION COMPANY, INC.; AUTHORIZING ACCEPTANCE OF BID OF ABC CONSTRUCTION, INC. TO CONSTRUCT CERTAIN CRUISE TERMINAL 7 IMPROVEMENTS; AND AUTHORIZING AWARD OF CONTRACT TO ABC CONSTRUCTION, INC. FOR CONSTRUCTION OF CERTAIN IMPROVEMENTS TO CRUISE TERMINAL 7 AT THE PORT OF MIAMI.

Seaport Department

I. SUMMARY

This Resolution authorizes the following:

- Deductive change order to the Construction Management Agreement ("CMA") between Miami-Dade County and Centex Rooney Construction Company, Inc. ("Centex");
- Acceptance of bid of general contractor ABC Construction, Inc. ("ABC"); and
- Award of contract to ABC for construction of improvements to Cruise Terminal 7 at the Port of Miami.

II. PRESENT SITUATION

Pursuant to the Expedite Ordinance No. 00-104, a contract was awarded to Centex to construct the following projects at the Port of Miami:

- Marine and Mooring Improvements;
- Crane Electrification;
- Container Yard Improvements; and
- Lease Improvements to Cruise Terminal 7.

The contract sum for all of the above components including, contingency, permits and owner's allowances, IPSIG and IG fees, totaled \$42,441,278. However, the Initial Guaranteed Maximum Price ("IGMP") for Cruise Terminal 7 was \$1,895,549.

In November 2004, Centex was not able to obtain bids at or below the IGMP for Cruise Terminal 7 and proceeded with construction of the other components only. In April 2005, a second competitive solicitation was conducted and yielded the lowest bidder ABC submitting a bid of \$1,959,000.

III. POLICY IMPLICATIONS

Under the terms of the CMA, the County has the authority to self perform, or use separate contractors to perform work not a part of the work under the CMA contract. In order for the County to utilize this provision, and contract directly with ABC, a deductive change order must first be approved deleting this scope of work from Centex.

IV. ECONOMIC IMPACT

The Seaport is recommending it be allowed to contract directly with ABC to accept ABC's bid and award the contract for Cruise Terminal 7 to ABC, in an effort to avoid \$822,696 in duplicative costs for Centex.

V. COMMENTS AND QUESTIONS

None.

LEGISLATIVE ANALYSIS

ITEM 4 (I) RESOLUTION AUTHORIZING EXECUTION OF SETTLEMENT AGREEMENT BETWEEN MIAMI-DADE COUNTY AND THE HASKELL COMPANY.

ITEM 4 (J) RESOLUTION AUTHORIZING EXECUTION OF SETTLEMENT AGREEMENT BETWEEN MIAMI-DADE COUNTY AND TETRA TECH FW, INC.

Seaport Department

I. SUMMARY

These Resolutions authorize the execution of settlement agreements between Miami-Dade County and The Haskell Company. As well as, Miami-Dade County and Tetra Tech FW, Inc., f/k/a Foster Wheeler Environmental Corporation. These settlement agreements resolve all asserted claims by the aforementioned companies against the County.

II. PRESENT SITUATION

On July 24, 2001, the Board approved R-925-01, which authorized the execution of a master development agreement with P&O Ports Florida, Inc. ("P&O"). This master development agreement designated P&O as the master developer of the Port's capital development program ("Project"), which included 33 individual projects. P&O hired Tetra Tech, Inc. to perform architectural and engineering services and hired The Haskell Company as the Project's construction manager.

III. POLICY IMPLICATIONS

In July 2004, the County, through the Seaport Department, became P&O's successor, releasing P&O as the master developer. Therefore, P&O assigned the Tetra Tech Contract and the Haskell Contract to the County.

IV. ECONOMIC IMPACT

The Haskell Company based its pricing and staffing on the conceptual descriptions of the 33 projects initially provided by P&O. Haskell also based its fees and costs on the required project duration of two years ending December 31, 2003. Due to many changes, the program was not completed by December 31, 2003 and The Haskell Company made several claims against P&O for additional compensation totaling approximately \$4.8 million.

Tetra Tech also made several claims against P&O for additional compensation, as well as, claims for non-payment for services allegedly performed under its contract. Tetra Tech's claims amount to approximately \$1,000,000.

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Representatives from the Port, The Haskell Company and Tetra Tech, negotiated a tentative settlement of all Haskell claims in the amount of \$2.2 million and of all Tetra Tech claims in the amount of \$675,000.

In addition, the County will release Haskell for \$258,000 in liquidated damages potentially due to the County under the Contract for Haskell delays, and will also waive other potential liquidated damages that could arise through the end of 2005.

V. COMMENTS AND QUESTIONS

- According to the contract, The Haskell Company may seek additional compensation for extended general conditions costs incurred, if the project is not completed by 2006 through no fault of Haskell or any of its subcontractors or suppliers.
- Should the project not be completed by the end of 2005 due to Haskell delays, liquidated damages provisions in the contract would apply. However, under the proposed settlement, the County will waive “other potential liquidated damages that could arise through the end of 2005.”